



Health Services
LOS ANGELES COUNTY

December 8, 2009

**Los Angeles County
Board of Supervisors**

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TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

SUBJECT: **EXAMINATION NOTICE BY THE DEPARTMENT OF
MANAGED HEALTH CARE (DMHC) RELATING TO
COMMUNITY HEALTH PLAN's (CHP) HEALTHY
FAMILIES (HFP) MEDICAL LOSS RATIO (MLR)**

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

This is to inform you that on October 22, 2009, the County of Los Angeles, Department of Health Services (DHS) dba Community Health Plan (CHP) received a notice from the DMHC of its intent to conduct an examination on behalf of the Managed Risk Medical Insurance Board (MRMIB) relating to CHP's HFP Medical Loss Ratio (MLR) submission for the period of July 1, 2007 through June 30, 2008.

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The purpose of the routine review is to verify the premiums received and medical expenses reported by CHP to MRMIB. The on-site visit is scheduled to start on January 25, 2009 and is anticipated to take 2-5 days. The examination team will consist of one or two examiners. The last on-site visit was conducted in June 2007 for the period of July 1, 2004 through June 30, 2005. The frequency of the audit is every 2 years.

If you have any questions, or need additional information regarding this matter, please contact me or Carol Meyer, Chief Network Officer at (213) 240-8370.

*To improve health
through leadership,
service and education.*

JFS:TL:np

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors



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